




**Haringey Council**

Report for:	CABINET	Item Number:	
Title:	Haringey 40:20 Carbon Commission and Action Plan		
Report Authorised by:	Lyn Garner, Director of Place & Sustainability 		
Lead Officer:	Jessica Sherlock, Carbon Management & Sustainability		
Ward(s) affected: all	Report for Key/Non Key Decisions:		

## 1. Describe the issue under consideration

1.1 The report presents the final recommendations of the Haringey Carbon Commission, set up to identify measures to achieve a 40% CO<sub>2</sub> reduction in Haringey, taking an approach that also addresses inequality in the borough. This report seeks agreement on the overall approach proposed by the Commission and agreement on an Action Plan to implement the Commission's recommendations.

1.2 The Commission is supported by *new economics foundation*, a leading think tank in the sector. The initiative is led by Cllr Joe Goldberg, Cabinet Member for Finance & Carbon Reduction.

1.3 Delivering the recommendations from the Commission cannot be achieved by the Council alone, it will require input from a range of partner organisations, enterprises and local groups, regional and national Government. The Action Plan presented here will be further augmented over the coming months through discussion with partner organisations and will remain a "live" document to be continually updated and reviewed. The Action Plan will be presented as part of the Annual Carbon Report to full Council in November 2012.



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## 2. Cabinet Member introduction

I am delighted to present the final report of the Carbon Commission which has involved much hard work within and outside the council over the past year, engaging around 70 individuals or organisations including a range of experts and local activists, in addition to the generous support of the new economics foundation. In particular I would like to commend officers who have delivered this groundbreaking programme of work under considerable pressure and with very few resources.

The report has been input into from across Council departments and Cabinet portfolios and I am grateful of the support received from colleagues for this piece of work, particularly from Transport, Housing and Economic Development, which will continue to be of critical importance to this endeavour. I am grateful to Cllr Canver for her contribution.

I believe the Carbon Commission Report stands as a strong challenge to those who mistakenly believe there is a conflict between action on climate change, action on inequality, and economic prosperity. While our efforts have been thwarted by the Government, this report demonstrates the ambition we hold in Haringey to tackle climate change and through it deliver greater prosperity for people in our borough, and help us tackle the levels of inequality that currently exist.

This report identifies how Haringey can take the first clear steps to becoming a centre of innovation for tackling the challenge climate change - the same challenge facing our cities the world over. In doing so we have the opportunity to create thousands of job opportunities, benefitting from what is one of the UKs strongest prospects for growth. In all it identifies a potential for 11000 jobs by 2031, and provides a strong basis for being put at the core of our regeneration efforts, in Haringey, and in Tottenham in particular.

There can be no doubt that the Commission's recommendations are extremely challenging, but they have succeeded in making a seemingly impossible journey, a difficult yet possible one. I believe the Commission matches the scale of our ambition for a more equal, more prosperous and greener borough and our commitment to One Borough, One Future

## 3. Recommendations

3.1 That the Cabinet endorse the overall approach proposed by the Carbon Commission and agree that officers progress an Action Plan for implementation of the Commission's recommendations that are to be led by the Council, as outlined below.

### 3.2 Carbon Commission's recommendations

(See full Carbon Commission report, Appendix 2, attached).

### 3.3 Action Plan - Council led actions

Some actions can be progressed from within existing resources, other actions will require input from across the wider Council and/or further feasibility work before a business case can be presented to Cabinet for agreement. A summary of the key actions, resource implications and timescales is provided below. The full Action Plan is provided in Appendix 3.



It is proposed that the Council work with 40:20 Steering Group to implement the Commission's recommendations.

1. Establish a cross borough legal company structure (initially with LB Enfield) to take forward the development of an alternative energy supply company and develop a full business case for agreement in early 2013 (the scope of activity is detailed in Appendix 4). The company would provide a lower carbon competitively priced source of energy, thereby helping to attract new industry to locate in the Upper Lee Valley area (that could create or retain 1700 jobs by 2030) while also helping developers in the Tottenham (and elsewhere in the Upper Lee Valley Opportunity Area) to meet their ambitious carbon saving targets. The company would require investment from the Council to be repaid over a 25 year period and some start up costs that would be shared across two or more boroughs and the GLA (to be detailed in the business plan in early 2013).

Establishing a legal structure for the company does not require any financial commitment by the Council. A legal structure is to be agreed prior to the business case being completed in early 2013) so as to enable further market testing (e.g. template energy contracts) that will help to provide evidence to support the business plan. It is recommended that setting up the legal company structure is delegated to the Lead Member for Finance and Carbon Reduction and then reviewed by Cabinet alongside the full business plan in early 2013.

2. Develop a pilot collective energy switching scheme for residents and potentially businesses. Energy costs are projected to rise by 40% over the next 10 years and Haringey already has around 10,000 residents living in fuel poverty (defined as a household spending 10% or more of their income on energy bills). The collective energy switching scheme aims to help residents to obtain the most competitive price for their energy and has the potential to mitigate fuel poverty. The pilot scheme would aim to engage around 3,000 residents to take part and if successful would be carried out on an on-going annual basis (See Appendix 6). The scheme would require a small amount of funding for promotional activities and has the potential to be funded as part of the One Borough One Future Fund 2<sup>nd</sup> phase.
3. Develop an ECO subsidy pilot working with Homes for Haringey and potentially private households, engaging other north London boroughs where possible to share learning and strengthen the boroughs negotiations with energy suppliers. The ECO obligation on energy suppliers (which will replace existing obligations on energy suppliers CERT and CESP) provides a subsidy for homes classed as "hard to treat" and is a multi billion pound pot of funding available to social landlords and private homes. The pilot phase will help identify how this fund can be maximised for Haringey and effectively combined with on-going works to make best use of the HRA as part of the 30 year business plan for Homes for Haringey to deliver higher standards of social housing than would otherwise be possible (see Appendix 5). The pilot will require support from Planning Department to ensure the smooth processing of technically complex retrofitting proposals, helping to make Haringey



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an attractive partner borough to investors.

4. Develop a business case for an eco retrofitting co-operative network working with the Haringey 40:20 Steering Group of community representatives, for agreement by Cabinet in early 2013. The network would aim to retrofit 3,000 homes over the first three years and could support the creation of hundreds of local skilled job opportunities for Haringey residents, supporting the regeneration of Tottenham.

The co-operative structure would help to ensure value from works is retained in the borough and engage residents and businesses as members, helping to drive take-up of services provided. Over time the co-operative network would aim to compete for contracts managed by the Council, and would be in a position to demonstrate a high level of social value from Council expenditure. Start up costs and access to low cost finance may be required but could potentially be shared across two or more boroughs. In addition to this, Council would seek a contribution from the GLA or DECC who are seeking to drive the growth of the eco retrofitting market in London.

To support the development of the business case, several supporting actions are required 1) Establish a network of SME builders and installers to understand existing capacity in the sector 2) Work with CHENEL and the HE sector and private sector partners to assess how local skills and training provision needs to be developed to ensure that local people are well positioned to benefit from the growth of the building retrofitting sector 3) work with the Procurement and Legal team to develop template contract clauses to give consideration to local economic value for the borough 4) Work with Planning policy team to develop the revised Sustainable Design & Construction Guidance to support installation of solid wall insulation 5) Work with local groups and partner organisations to identify potential for increasing the network of eco show homes in the borough.

5. Develop a business case by early 2013 for an Innovation Lab identifying potential partners and sources for funding and initial low carbon demonstrator projects to be implemented. The high profile projects developed as part of the Lab will help to build the profile of the borough, inspire local communities and speed up the transition of low carbon technologies from demonstration to wide scale adoption. Some initial project ideas that have already been put forward by Haringey's community energy company EN10ERGY, include a network of low carbon demonstration schemes in several locations: a solar canopy car park feeding a range of electric vehicles for private and commercial use, a low carbon terrace and a project to re-imagine the high rise, combining high density housing and quality of life.

The Lab would likely require in-kind support from the Council, for example offering up Council buildings or Council led developments as sites for low carbon demonstrator and would rely on leveraging grants of R&D funding to support activity.



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6. Work with the Tottenham Team and Economic Development team to investigate the feasibility of prioritising business support services to those businesses with a commitment to reducing their environmental impact. This could include reduced cost office space, meanwhile leases (e.g. use of properties that may be temporarily vacant) and future funding for employment & training schemes. (The Carbon Commission recommended that this year a target of 10% of Haringey's employment fund be prioritised for low carbon enterprise activity and it is hoped that this target will be achieved).
7. Develop an outline business case by early 2013/14 for a low carbon economic district across Haringey, Enfield and Waltham Forest. The creation of a district would likely require the boroughs to safeguard land for the purpose of proactively recruiting businesses to locate in the area and provision of incentives such as reduced business rates.
8. Work with HAVCO and relevant Council departments to identify how a flexible range of support to community organisations who are tackling sustainability and inequality in the borough can be provided, for example meanwhile leases of Council buildings and leveraging grant funding on behalf of local organisations, and paid volunteers coordinators to add capacity to work, utilising income from capital investments. Feasibility work including a work shop with local groups to be carried out in 2012/13.
9. The Council should show leadership working to secure the commitment of medium and large enterprises in Haringey to commit to a carbon reduction action plan. There are currently around 50 large enterprises operating in Haringey. By 2013/14, at least 10 of these enterprises would be signed up to the borough wide action plan.
10. Work with the Accommodation, Facilities Management and Communication teams to agree an action plan for agreement by early 2013/14 for increasing visibility of low carbon activity in buildings (for example the River Park House reception area, as part of planned upgrades to buildings) and through Council communications, e.g. Council tax bills.
11. During 2012/13-2013/14 carry out further feasibility work to assess how the Commission's recommendations on low carbon transport can be implemented, building on the existing Local Implementation Plan, which has been discussed with the local Transport Forum. This includes:
  - a. Seeking to introduce a scheme to provide local enterprises and residents with a free trial of an electric vehicle.
  - b. Complete an infrastructure study for walking & cycling improvements. This will need to be supported by feasibility work to create additional space for cycle lanes and wider pavements.
  - c. Identify potential for a DIY streets toolkit for borough wide roll out.





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- d. Further feasibility work to develop shared transport plans with neighbouring boroughs, starting with Enfield and Waltham Forest and map cross borough journeys.
- e. Feasibility work for alternative refuelling infrastructure as part of green enterprise district feasibility work (see No.7)
- f. Identify opportunities to increase lobbying activity among local communities for investment into public transport improvements and investment by Transport for London into walking & cycling infrastructure.

### 4. Other options considered

4.1 Do nothing. This would mean the Council would not deliver on its commitment to make progress towards the 40% carbon emissions reduction target.

4.2 An alternative option at this stage would be to pursue only those recommendations that do not require much resource (either staff time or possibility of future access to low cost finance or set up costs if the full business case is agreed). It is recommended that further detailed business cases are prepared for the Council so that the full costs and benefits and risks are known (both to the borough and the wider community in terms of potential local economic value generated), before other alternatives to the Carbon Commission's recommendations are considered. The Carbon Commission has bought together significant expertise from a range of sources and as such the recommendations being put forward should be fully pursued.

## 5 Background information

### 5.1 The Council's recent achievements

Haringey is considered to be a leading borough on climate change and has achieved a number of successes in this area, across a range of Council departments, including:

- For several years the borough has operated a highly successful £1.5m **Sustainable Investment Fund** for reducing energy consumption in Council owned buildings, supporting the Council to save a projected £7m per annum on annual expenditure and working towards a 40% CO<sub>2</sub> reduction by 2015.
- An ambitious programme to install up to £15m worth of **solar panels** on social housing and other council buildings that has so far led to approximately £1.5m investment in solar panels that are generating an income for Haringey.
- The award winning Sustainable Transport Team this year completed a project working with Sustrans to deliver **the UK's first area wide DIY Streets scheme**, involving local residents in identifying the measures they need locally to support sustainable travel.
- The borough has secured **numerous grant awards** (in the region of £1.5m) supporting **community led schemes** such as the Low Carbon Zone, Low



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Carbon Communities Challenge (helping to establish EN10ERGY). In addition to this, more recently this year the £1m BIG local in Manor House, working with the Manor House Development Trust.

- The Council is providing support to **100 small and medium sized businesses** by 2013/14 to reduce energy, waste and water and save money on their utility bills as part of an ERDF grant funded programme.
- The Lordship Rec, **Passivhaus (zero energy) Community Centre** is the 2<sup>nd</sup> of its kind in London and the new **Heartlands High School** has achieved BREAM excellent rating (the highest score for a non domestic building) demonstrating a range of low carbon technologies).
- The Council has successfully completed the RE:NEW grant funded home energy efficiency scheme in Northumberland Park and White Hart Lane. A total of **1,530 households** were visited as part of the scheme and provided with an Energy Performance Certificate and low level energy and water saving measures. Initial reports indicate a positive response from residents.
- A mailing to around **10,000 households** in Haringey has been carried out in partnership with EDF Energy promoting uptake of free loft and cavity wall insulation and offering £50 cash back per measure installed.
- Haringey's **Waste & Recycling contract** has already made a commitment to Council's 40% Carbon Reduction Target for its operations (e.g. collection vehicles) and has a target to double the level of household recycling in the borough by 2020.

### 5.2 Carbon Commission – feasibility work and evidence developed

The timescales and process for completing the Carbon Commission are provided in Appendix 1.

Several feasibility studies were developed to support the work of the Carbon Commission. In tandem to the Commission, work by the Council has continued to develop significant scale plans for an alternative energy network and eco retrofitting in homes. A summary of work undertaken to date is provided below. Full reports and data can be found on the Haringey 40:20 website (see: [http://www.haringey4020.org.uk/index/useful-information/lcf\\_studies.htm](http://www.haringey4020.org.uk/index/useful-information/lcf_studies.htm))

#### 1. Alternative energy network

Carbon reduction scenario modelling carried out identified the need for decentralised energy networks to attain ambitious carbon targets and is already supported in the Council's Core Strategy and the London Plan. Haringey developed a borough wide heat map, identifying the feasibility for decentralised energy networks in 2011.

Recognising the benefits of a large scale decentralised energy network to generate economies of scale, in 2012 the Council worked with the boroughs of Enfield and Waltham Forest to develop a feasibility study for a cross borough network utilising



waste heat from the north London Waste Authority facilities in Edmonton and eventually linking to the Olympic Park network. An impact assessment of the scheme has identified the potential to attract inward investment and create or maintain 1,700 jobs in the Upper Lee Valley area through the provision of stable and competitively priced energy.

Following successful completion of feasibility work in July 2012, the GLA agreed to grant fund an interim project director to take forward development of the scheme including a detailed business plan for agreement by the boroughs in early 2013 and work to ensure the Tottenham Masterplan safeguards network routes and space for an energy centre. In addition to this, as part of the Tottenham Investment Plan, £2.5m capital has been awarded by the GLA to support the development of the network.

## **2. The Green Deal and eco retrofitting**

Haringey set up a cross north borough housing retrofit group as part of the DECC Local Carbon Frameworks Pilot in 2011 which continues to operate. The pilot identified the potential funding models for delivery of large scale retrofitting activity and potential job creation and wider economic benefits. Following this, the GLA provided further funding for Haringey & Islington to assess in detail the business case to become Green Deal providers, contracting an external provider to deliver the marketing, home energy assessments and installation of measures. The business case as it stands is not considered viable for Haringey due to the low up take of the Green Deal projected, however alternative models that would activate the “able to pay sector” are being investigated. In addition to this further research has been carried out to 1) understand how such a large scale scheme could develop the existing local supply chain of builders and installer and 2) how ECO funding could be leveraged in discussion with energy suppliers and other north London boroughs.

The next step from this work is to continue further research to assess the potential for a co-operative model recommended by the Commission with the aim of presenting a final business case for agreement in early 2013.

## **3. Low carbon enterprise**

As part of the Local Carbon Frameworks Pilot, funded by Department of Energy and Climate Change in 2011, a study was carried out working with the North London Strategic Alliance. This identified the existing low carbon and environmental goods and services sectors (LCEGS) that are present in the Upper Lee Valley area (accounting for around 15,000 jobs) the potential to attract other LCEGS to co-locate in the area and the potential incentives that would be required. The report was provided as an evidence base for the Green Enterprise Working Group of the Commission.

## **4. Sustainable transport**

As part of the Local Carbon Frameworks Pilot, funded by Department of Energy and Climate Change in 2011, a study was carried out to identify potential carbon savings from the existing Local Transport Plan and the additional measures that would be required to achieve higher levels of carbon reductions and associated health and





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regeneration benefits. The study was provided as an evidence base to the Carbon Commission.

## **6 Comments of the Chief Finance Officer and financial implications**

6.1 Many of the recommendations link well with the priorities of the Council and existing projects, for example jobs and regeneration priorities and the property review project and therefore existing budgets and resources in those areas may contribute to the development of Carbon Commission recommendations. This will be reviewed on a case by case basis. Where the detailed action plan in Appendix 3 identifies more resources are required to progress an action, in the first instance external grant funding will be sought. If this is not forthcoming and the required work cannot be contained within existing budgets then a business case for funding will be presented to Cabinet for agreement. It is essential that any grant funding or business case not only addresses the direct costs of progressing an action but also the indirect costs of supporting the project for example Legal and Finance costs as well as wider Management and Support overheads.

6.2 In Financial terms the 2 most significant recommendations relate to the creation of a Special Purpose Vehicle to bring forward an alternative energy supply company and the work around Housing retrofit models.

6.3 The initial costs of creating an SPV can be contained within existing budgets and any further costs relating to running the SPV and any proposals to part fund build schemes will be subject to a Business Case to come to Cabinet early in 2013. This is likely to include options to use Prudential Borrowing to develop the network and will need to demonstrate certainty of return and appropriate payback periods. Funding of £2.5m as part of the Northumberland Park development has already been secured from the GLA towards this project. The creation of an SPV does not entail any financial commitment from the Council.

6.4 With respect to Housing retrofit there are existing budgets for Green Deal related work that can be utilised until a stage where a more detailed business case can be prepared for agreement by Cabinet.

6.5 If the Council is successful in leveraging significant amounts of ECO subsidy this may well help to fund improvements in Council housing and thus it will be important to ensure this work is linked up with existing projects within Housing to determine the scope of any positive impact on the HRA financial position.

6.6 The proposal around a low carbon economic district is likely to be a large piece of work with the possibility of significant costs if business rates are foregone or land safeguarded, and significant benefits if it leads to business growth. Thus a full business case would need to be presented to Cabinet before any measures could be implemented here, input from partner organisations and grant funding will be sought to further develop this proposal.



## **7 Head of Legal Services and legal implications**

7.1 All proposed actions must ensure compliance with all relevant legislation including State Aid requirements and European procurement legislation (The Public Contracts Regulations 2006) where relevant. Where European procurement regulations do not apply because of the nature of the service, officers must also have regard to general EU principles of equality of treatment and non-discrimination of bidders. Additionally the Council must have regard to Contract Standing Orders.

7.2 The Directorate will be able to utilise the provisions of The Public Services (Social Value) Act 2012 (the Act) in the procurements linked to actions in this report. The Act states that public authorities must in their procurements, give consideration to how their proposals will improve the social, economic and environmental wellbeing of the area. Authorities must consider matters that are relevant, and the extent to which it is proportionate to take those matters into account.

7.3 Further advice should be sought from Corporate Legal Services at the relevant time for each of the actions recommended in this report.

## **8 Equalities and Community Cohesion Comments**

8.1 The proposals contained in the Carbon Commission report contribute to tackling inequality and equality of opportunity.

8.2 A full equalities and community cohesion impact would need to be carried out once the Council has selected any recommendations from the Carbon Commission to invest significant resources into, in early 2013.

## **9 Head of Procurement Comments**

9.1 It is recognised that there will be significant investment in supplies and services to effect the delivery of many of the recommendations outlined in this report, not least the eco-retrofit of 3,000 homes. The procurement of any solution must be fully compliant with the Council's contract standing orders and the relevant Category Manager involved in the shaping and delivery of the requirement.

9.2 The report recommends actions for the Council's procurement function; specifically concerning the mapping of procurement spend and delivery of social value. The mapping of Council spend is already undertaken on the first tier of the Council's supply chain. A deeper analysis will be undertaken assuming the value of any such exercise is demonstrable. The delivery of social value through procurement was already a duty for Local Authorities, defined in the Local Government Act (2000) as the 'well-being power'. It is already embedded as per the Council's Sustainable Procurement Action Plan, and it is anticipated that there will be little material effect on existing processes.



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## **10 Policy Implication**

10.1 Haringey has agreed a carbon reduction target of 40% by 2020 from a 2005 baseline. The Action Plan demonstrates Haringey's commitment to working to achieve this target; however this can only be achieved with action from across civil society, the public and voluntary and private sectors and greater support from the Mayor and national Government.

10.1 The low carbon enterprise sector is one of the fastest growing sectors in the UK (even while the wider economy continues to stand still or decline) - the Commission's recommendation is that Haringey work to achieve its share of this economic prize. Haringey's continued commitment to this pledge made as a result of local activists who campaigned for the Council to adopt this target, supports a number of wider policy objectives for the borough – to regenerate the borough, creating new jobs and training opportunities, improve well being and thereby support the long term prosperity of the borough.

10.3 The carbon reduction scenario produced as part of the Carbon Commission showed that the combined impact of current EU and national policy together with local action could deliver a 30% CO<sub>2</sub> reduction by 2020. To achieve a higher level of carbon reduction would require further local innovation (e.g. to drive adoption of sustainable lifestyles) and greater policy support at a national level, particularly in respect of Green Deal financing and levelling the playing field for small and medium scale producers of energy to enter the energy market.

10.4 The Carbon Commission report identifies two immediate opportunities for job creation: the potential for around 3,000 jobs created or retained as a result of developing the market for eco retrofitting and attracting inward investment into the Upper Lee Valley, supported by the alternative energy network.

10.5 Wider benefits as a result of increased active travel and fuel reduction costs are more difficult to calculate but could help to offset significant health costs in excess of £100m per annum for the NHS Haringey as a result of poor housing quality and obesity.

## **11 Use of Appendices**

Appendix 1: Timescales and process of the Commission

Appendix 2: Haringey Carbon Commission: a sustainable new economy (attachment)

Appendix 3: Action Plan

Appendix 4: Development of the alternative energy network

Appendix 5: Development of a large scale eco retrofitting scheme



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Appendix 6: Collective switching scheme

## 12 Local Government (Access to Information) Act 1985

Not applicable.

## Appendix 1: Timescales and process of the Commission

### 40:20 Steering Group Members

Cllr Joe Goldberg, Cabinet Member for Finance and Sustainability, LBH Chair  
Dermot Barnes, EcoDomus  
Johnathan Boswell, Highgate Climate Action Network  
Quentin Given, Friends of the Earth, Ferry Lane Action Group  
Anne Gray, Green Party, Growing in Haringey  
Cara Jenkinson, EN10ERGY  
Leyla Laksari, Living Under One Sun  
Cllr Antonia Mallett, West Green Ward Councillor, LBH  
Alan Morton, Muswell Hill Sustainability Group  
Nicky Price, Tottenham Traders Association, Tottenham Carnival  
Joyce Rosser, Tottenham Civic Society, Sustainable Haringey  
Nick Powell, Head of Carbon Management & Sustainability, LBH  
Jessica Sherlock, Policy & Projects Manager, LBH  
Adam Parvez, Environmental Resources Officer, LBH  
Cllr Juliet Solomon, Alexandra Ward Councillor, LBH  
Peter Maddison, Homes for Haringey

### Carbon Commission core group

Andrew Simms, Fellow, new economics foundation (nef) Chair  
Chris Brown, CEO of Igloo Regeneration  
Elizabeth Cox, Connected Economies Lead, nef  
Nicky Gavron, Greater London Assembly  
Ed Gill, Director of Public Affairs, Good Energy  
Quentin Given, Campaigner Coordinator, Friends of the Earth, coordinator of  
Tottenham & Wood Green Friends of the Earth & Haringey 40:20 Steering Group  
Cllr Joe Goldberg, Cabinet Member for Finance & Sustainability  
Dr Mattia Romana, from the Grantham Institute of Climate Change  
Ian Short, CEO of the Institute for Sustainability  
Stephen Tate, Assistant Director, Environment & Transport, Greater London Authority  
Prashant Vaze, author of the Economical Environmentalist

### Working Groups



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### **Community Involvement**

Quentin Given, Friends of the Earth Chair  
Natalie Butler, Environmental Resources Officer, LBH  
Elizabeth Cox, Connected Economies Lead, nef  
Cara Jenkinson, Muswell Hill Sustainability Group  
Adam Parvez, Environmental Resources Officer, LBH  
Daisy Byaruhanga, Innovative Vision for African Communities  
Judy Hallgarten, Groundwork north London  
Haringey Youth Climate Change Ambassadors  
Anastasia Harrison, Transition Highgate  
Leon Joseph, Community Participation Officer, LBH  
Jude Lockett, London Sustainability Exchange  
Loreana Padron, Architect  
Sofie Pelsmaker, Architect  
Nicky Price, Tottenham Traders Association  
Ruth Schamroth, Sustainable Haringey network  
Vickie Schellert, Haringey Timebank  
Jessica Sherlock, Carbon Management, Policy & Projects Manager, LBH  
Derrick Walker, Tottenham renewable start up energy business

### **Sustainable Transport (Haringey Transport Forum)**

Cllr Nilgun Canver, Cabinet Member for the Environment Chair  
Edwin Leigh, Transport Planning Officer, LBH  
Malcolm Smith, Transportation Planning Team Leader, LBH  
Representatives from campaigning groups and transport operators.

### **Low Carbon Investment**

Prashant Vaze, Author Chair  
Jonathan Boswell, Highgate Climate Action Network  
Matthew Gaynor, Head of Finance, Place and Sustainability, LBH  
Michael King, Decentralised Energy Federation  
Kelly Lee, British Gas  
Minka McInerney, Environmental Resources Officer, LBH  
Peter North, Greater London Authority  
Duncan Price, CAMCO Global  
Justine Prain, Energy Saving Trust  
Jessica Sherlock, Carbon Management, Policy & Projects Manager, LBH

### **Green Enterprise**

Ian Short, Institute for Sustainability Chair  
Rory Bergin, HTA  
Billy Devine, CONEL training college  
Ben Earl, B& Q  
Chris Ronketti, British Gas  
Nicky Price, Tottenham Traders Association  
Andrew Raingold, Aldersgate Group  
Ellen Scrimgeour, North London Business





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Cllr Alan Strickland, Cabinet Member for Regeneration  
Lawrence Hewitt, Economic Policy Officer, LBH  
Martin Tucker, Economic Development Manager, LBH  
Ambrose Quashie, Business and Employment Initiative Officer, LBH

### **Regeneration of Tottenham**

Chris Brown, Igloo Regeneration Chair  
Judith Hannah, Clyde Road Residents Association  
Juilet Codet-Boisse, Bio-Regional  
Anne Lippit, Team Tottenham Director, LBH  
John Norman, Team Tottenham, LBH

### **Respondents**

Steve Boniface and Mick Hale, Diamond Build PLC  
Bryn Lockwood, Sustrans  
Leyla Laksari, Living Under One Sun  
Peter Maddison, Homes for Haringey  
Sona Matahni, The Selby Trust

### **Learning Partners**

Peter Lipman, Policy Director, Sustrans  
Peter Jones, Transport Professor, University College London

### **The Carbon Commission**

Five Working Groups were formed and charged with identifying the role/s the Council should play in driving low-carbon investment in the borough, and supporting wider actions. Additionally they were asked to consider actions that aim to reduce inequality, increase involvement in decision making and share benefits more equally with people in the borough. The five Working Groups developed a set of recommendations which were discussed by the Carbon Commission:

The Low-Carbon Investment group developed recommendations on energy efficiency improvements to buildings and creating low-carbon, decentralised energy networks across the borough.

The Community involvement group developed recommendations on what role the Council should play to increase the capacity within networks and partnerships to widen their reach and effectiveness, in order to bring about borough-wide involvement in achieving 40:20.

The Sustainable Regeneration of Tottenham group proposed possible changes to the Tottenham High Road area to increase the quality and supply of housing, support a flourishing local economy, produce low carbon heat and electricity, improve transport networks and enhance well-being.

The Green enterprise group developed recommendations for low carbon enterprise growth and related skills development in the Upper Lea Valley. This area, which has been experiencing economic decline, stretches from the Olympic fringe six miles north. With 6,000 hectares of land it is London's largest Opportunity Area.



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The Sustainable transport group developed recommendations on the changes needed within the transport system to support a modal shift towards the use of public transport, cycling and low carbon vehicles. Rather than forming a specific working group for the Commission, we worked directly with the existing Council Transport Forum. The Forum involves a range of local stakeholders such as campaign groups, councillors and transport operators, and provides a place for a consultative forum for emerging transport strategy and the Local Implementation Plan (LIP). The Commission asked the Forum for their recommendations to: prioritise existing LIP funding to maximize CO2 and other outcomes, increase funding and resources available, and, target CO2 emissions from journeys starting and ending outside the borough.

At least one Commission member was part of the Working Groups, with the exception of the transport group, who was then responsible for leading the discussion on that element within the Commission meetings. The Carbon Commission reviewed the recommendations emerging out of each of the groups' discussions over a series of meetings and then decided how these could come together to form the basis of a coherent set of actions.

### **Appendix 2: Haringey Carbon Commission: A Sustainable New Economy (attachment)**



Commission Recommendation	No	Council action agreed	Timescales	Lead officer(s)	Resources	External support needed	Link to Council priority
<b>1. Business models investing wealth back into the borough</b>	1	Establish legal structure for alternative energy company (mutual)	Legal structure agreed 2012/13 Business plan early 2013	S. Sullivan, J. Sherlock (CM&S)	Existing resources. (Business plan to request start up funding and access to low cost finance)	LB Enfield, LB Waltham Forest, GLA	Create jobs in Haringey
	2	Large commercial and public sector heat users sign up to purchase agreements	Major heat customers signed 2012/2013	S. Sullivan, J. Sherlock (CM&S)	(As above)	LB Enfield, LB Waltham Forest, GLA	Create jobs in Haringey
	3	Pilot collective purchase of energy scheme	Pilot scheme to start 2012/13	S. Sullivan, J. Sherlock (CM&S)	Existing staff resource Environmental Resources team and potential OBOFF grant.	Haringey 40:20, local networks, HfH, Frontline Services	Improve well-being of residents
	4	Feasibility for community share ownership in mutual	Feasibility complete by 2012/13	S. Sullivan, J. Sherlock (CM&S)	Existing resource Environmental Resources team plus local networks TBA	Haringey 40:20, local networks	Improve well-being of residents
	5	Council Planning documents to safeguard network routes	Tottenham Master Plan complete by 2012/13. Borough wide energy master plan agreed 13/14	S. Sullivan, J. Sherlock (CM&S), Team Tottenham	Existing resource Environmental Resources team	Homes for Haringey	Create jobs in Haringey



	6	Lobby national Government and OFGEM enable small and medium scale energy producers to sell directly to customers	On-going campaigning activity	S. Sullivan, J. Sherlock (CM&S), Cabinet Member	Existing resource Environmental Resources team	GLA, LGA, sector, 40:20 Steering Group	Create jobs in Haringey
	7	Business plan developed for co-operative network providing energy efficiency services	Business plan 2012/13	M. McInerney, J. Sherlock (CM&S)	Low cost finance and some start up costs. Existing officer resources.	Local SMEs, 40:20 Steering Group, GLA, Cooperative	Create jobs in Haringey
	8	ECO subsidy pilot for Homes for Haringey and private households and feasibility	ECO leveraging scheme pilot 2012/13	M. McInerney, J. Sherlock (CM&S), TBI (HfH)	Officer time and potential match funding from HfH/Private households	Homes for Haringey, and 40:20 Steering Group, community networks	Improve well-being of residents
	9	HfH Front Line staff and peer to peer networks provide advice to residents on cost saving and sustainable lifestyles when retrofit	HfH Energy Strategy Action Plan 2012/13	TBI HfH Strategy	Existing HfH Resident support team	Haringey 40:20, local resident networks	Improve well-being of residents
	10	Feasibility work for use of ECO subsidy in conjunction with HRA/borrowing to deliver advanced energy improvements to social housing	Homes for Haringey 2013/14	M. McInerney, J. Sherlock (CM&S), TBI (HfH)	Existing staff resources and funding	Energy suppliers, possible external expertise, other north London boroughs	Improve well-being of residents and create jobs for local people
	11	Template contract clauses developed to secure jobs and training outcomes from construction and building installations contracts	Proposal developed 2012/13	M. Wood (CP), M. McInerney (CM&S) M. Tucker (PRE)	Existing resources	Construction/building installation contractors	Create jobs in Haringey
	12	Feasibility for expanding network of green show homes across the borough.	<b>Proposal developed 2012/13</b>	<b>M. McInerney (CM&amp;S), Jacinta Walters</b>	Existing resources plus external resources TBI	Haringey 40:20, Viceri, Architects/Contractors	Improve well-being of residents



				(HfH)			
	13	Government to introduce additional support for the Green Deal to maximise job creation and carbon emissions reduction benefits.	<i>On-going campaigning activity</i>	<b>M. McInerney, J. Sherlock (CM&amp;S), Cabinet Member</b>	<i>Existing resource Environmental Resources team</i>	<i>GLA, LGA, sector</i>	Improve well-being of residents
<b>2. Build a low carbon economy</b>	14	Delivery plan developed for a low carbon enterprise district in the Upper Lee Valley	Delivery plan 2013/14	TBA Team Tottenham, NLSA, J. Sherlock (CM&S)	Additional resource required	LBH Property Services. GLA, LB Enfield, LB Waltham Forest	Create jobs in Haringey
	15	Feasibility work and business case for Innovation Lab	Business case 2013/14	TBA, Economic Regeneration Team Tottenham, NLSA J. Sherlock (CM&S),	Additional resource required	Innovation Lab partners, LBH Property Services	Create jobs in Haringey
	16	Map future Council spending into the long term providing certainty for sustainable investors	Sustainable procurement actions agreed 2012/13	M. Wood (CP) J. Sherlock (CM&S), NLSA, Economic Regeneration , Team Tottenham	Existing resource (CP)	External expertise, local supply development	Create jobs in Haringey





	17	Feasibility work to build social value into key Council contracts	Sustainable procurement actions agreed 2012/13	M. Wood (CP) J. Sherlock (CM&S), NLSA, Economic Regeneration , Team Tottenham	Existing resource (CP)	External expertise, local supply development	Create jobs in Haringey
	18	Feasibility work to prioritise Council business support services for sustainable enterprise activity (e.g. office space)	Proposal 2012/13	Economic Regeneration , Team Tottenham, J. Sherlock (CM&S),	Existing resource (PRE)	NLB, neighbouring boroughs	Create jobs in Haringey
	19	10 large enterprises operating in the borough commit to a carbon reduction plan	First 10 med-large enterprises signed up by 12/13	Natalie Butler (CM&S), Jessica Sherlock (CM&S), SMT	Existing resource (CM&S)	Private Sector	Create jobs in Haringey
	20	Set up network of local retrofitting SME installers.	Network established 12-13	M. McInerney (CM&S) M. Tucker (PRE)	Existing resource (CM&S)	SMEs, Haringey 40:20	Create jobs in Haringey
	21	Skills and training review for construction and retrofitting.	Develop action plan by 12/13	M. McInerney (CM&S) M. Tucker (PRE)	Existing resource (CM&S)	CHENEL, private sector partners, HE sector	Create jobs in Haringey



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<b>3. Boosting Innovation</b>	<b>22</b>	Council to work with partner organisations to develop proposal for Low Carbon Innovation Labs	Outline proposal developed 12/13	J Sherlock (CM&S), Team Tottenham, NLSA	Existing staff resources	Partners organisations HE, private sector, research, Property Team, Homes for Haringey	Create jobs in Haringey Reduce inequality, improve sustainability
<b>4. Investing in Transport</b>	<b>23</b>	Feasibility for shared low carbon transport plans with neighbouring borough to tackle car journeys, starting with Enfield and Waltham Forest.	Plans developed 2013/14	M. Smith, E. Leigh (CM&S) J. Sherlock (CM&S),	Existing Council resources	LB Enfield, LB Waltham Forest, GLA	Tottenham Regeneration, reduce health inequality
	<b>24</b>	Walking and cycling infrastructure study carried to identify improvements needed. To support this, feasibility work for the gradual removal of some private car parking spaces where appropriate to create additional space public amenities (e.g. cycle lanes, wider pavements).	Study completed 2013/14	M. Smith, E. Leigh (CM&S) J. Sherlock (CM&S),	Existing Council resources and LIP funding	LB Enfield, LB Waltham Forest, TfL, Community Groups	Tottenham Regeneration, reduce health inequality
	<b>25</b>	Carry out feasibility for a free electric vehicle car and van trial and potential for safe on-street electric vehicle charging and zero car parking charge incentive.	Scheme operational and feasibility work complete 2013/14	M. Smith, E. Leigh (CM&S) J. Sherlock (CM&S),	Existing Council resources, LIP funding	Other north London boroughs	Tottenham Regeneration
	<b>26</b>	Transport Forum, Council and 40:20 Steering Group to develop campaigning on	Workshop to identify options held 2013/14	M. Smith, E. Leigh (CM&S) J.	Existing Council resources, LIP funding	Other north London boroughs, Sustrans, LCC	Reduce CO2 emissions, improve air quality and



	27	public transport and investment needed in walking and cycling facilities.		Sherlock (CM&S),			health
	27	Feasibility for alternative refuelling infrastructure serving freight, waste collection and buses in ULV	Feasibility complete 2013/14	M. Smith, E. Leigh (CM&S) J. Sherlock (CM&S),	Existing Council resources, LIP funding	Other north London boroughs, TfL, GLA	Reduce CO2 emissions, improve air quality and economic competitiveness
	28	Review of the Council's travel plan to ensure CO2 efficient travel by staff	2013/14	M. Smith, E. Leigh (CM&S) J. Sherlock (CM&S),	Existing Council resources, LIP funding	Transport for London	Reduce CO2 emissions
<b>5. Strengthening community organisations</b>	29	Identify how Council support for voluntary led action can be increased and resources available e.g. capital investments, existing Community Fund and external grants	Workshop to identify needs and options held 12/13	Adam Parvez, J. Sherlock (CM&S)	Additional resource TBI	HAVCO, Haringey 40:20, wider Council	Improve well-being of residents and create jobs
	30	Work with Haringey TimeBank to develop a green bank providing a means to exchange time and skills.	Workshop held 12/13 to develop approach	Adam Parvez, J. Sherlock (CM&S),	Existing resource Haringey 4020/Environmental Resources	Haringey 4020, Local voluntary sector	Improve well-being of residents
	31	Identify opportunities to increase the visibility of activity through public communications spaces and other Council space	Workshop held 12/13 to develop approach	Adam Parvez, J. Sherlock (CM&S),	Additional resource required	Haringey 4020, Local voluntary sector, Property Team, Communications team	Reduce CO2 emissions



## **What is an alternative energy network?**

A decentralised energy network (or district heating/alternative energy) is a system of highly insulated pipes that move energy in the form of hot water and/or steam from where it is created, to where it is needed. Copenhagen has one of the largest district heating networks in the world, estimated to consist of more than 1500km of piping, providing heat to 500,000 residents and covering more than 98% of the demand for heating across the city<sup>1</sup>. Combined heat and power fired decentralised energy networks also produce energy that is either exported back into the local grid or sold directly to customers.

## **Benefits**

The Decentralised Energy Network is forecast to deliver significant economic, environmental and social benefits, greater than would otherwise be achieved by individual developments:

- Generate inward investment, jobs and wider regeneration. For example, an increase of 1700 jobs (safeguarded and net additional) was forecast over BAU connected with attracting inward investment from the network;
- Reduce fuel poverty; through lower fuel costs;
- Provide affordable low carbon heat for businesses, industries, the public sector and local residents;
- Reduce carbon emissions across North London by at least 200,000 tonnes over the life of the project; and
- In the longer-term energy could be derived from renewable and zero carbon sources, with heat networks also able to utilise waste heat from industrial and commercial activities.

## **The role for the public sector**

The market and policy context mean that a private sector company is not able to build the infrastructure to kick start the proposed decentralised energy network for the Lee Valley. Local authority leadership and public funding will be required to kick start the infrastructure network; essentially pump priming and de-risking the scheme.

## **Next steps**

### **1. Establish a new Special Purpose Vehicle**

It is proposed that the LB of Haringey, Enfield and potentially also Waltham Forest jointly establish a Special Purpose Vehicle that will finance and deliver a new city-scale decentralised energy network that captures affordable low carbon heat from waste to energy facilities and dedicated Combined Heat and Power (CHP) plants, and

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<sup>1</sup> Combined Heat and Power Association, 2011 'Integrated Energy The role of CHP and district heating in our energy future'.



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supplies heat in the form of hot water (or steam) via a network of highly insulated pipes, to buildings and industry across the Lee Valley.

The next step is to create a contract and corporate structure to enable the heat network and related energy generation and customer connections to be installed and to attract external investment where appropriate. The term being used for this contract and corporate structure is a Special Purpose Vehicle (SPV).

### **Preferred Structure and Governance of the SPV**

It is likely that the preferred delivery model and structure would be a local authority controlled not-for-profit, company limited by shares. Local authority ownership and operating in a not for profit mode is also consistent with the recommendation from the Carbon Commission, however further research would be needed to establish the potential for a mutual or co-operative model.

The preferred delivery model will be subject to further advice by an external lawyer, to identify and assess any significant risks before the SPV is formed.

A Project/Commercial Director has been appointed by GLA to lead the commercial development of the SPV working closely with Officers from each of the Boroughs. Additional support is provided by the GLA's Decentralised Energy Project Unit (DEPDU). Both these resources are funded by GLA using ELENA<sup>2</sup> funding for DE for London.

Subject to Cabinet's agreement to proceed, the next steps are:

#### **Forming the SPV**

- Drafting and finalising a Shareholder agreement, as well as the Memorandum and Articles of Association
- Receive advice on public sector procurement
- Cabinet approval by the London Borough of Enfield (and later Waltham Forest)
- Register the new SPV with Companies House, and a Board appointed.

Establishing the SPV in advance of approval of the business case for the core scheme arises from the need to:

- Clarify the relationship between the three participating Boroughs
- Appoint the Board of Directors in good time for it to approve the business plan
- Create the necessary credibility when talking to potential heat loads and customers
- Demonstrate ongoing Borough commitment to the SPV to keep GLA funding flowing

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<sup>2</sup> ELENA ("European Local ENergy Assistance") is run by the European Investment Bank and is funded through the European Commission's Intelligent Energy-Europe programme.





The estimated cost in this financial year of forming the SPV can be met out of existing budgets. The forecast costs from April 2013 for the start up period and first phase of development will be outlined in the business case presented to Cabinet in early 2013.

## **2. Prepare the business case for investment in the SPV**

While the feasibility of the core concept has been established by studies undertaken by Parsons Brinckerhoff, further work is needed to produce a realistic first phase of development, and a business plan for the evolution of the network. The output of this work will be a business case for approval in early 2013. If this business case is not agreed the legal company structure created will be dissolved.

### **Business case for investment**

DEPDU are developing the full business case for the heat network in parallel with the work by the Boroughs to form the SPV. The key steps are:

- Stakeholder engagement (heat sources, anchor heat customers, satellite schemes)
- Financial model and sensitivity analysis
- Business plan
- Develop investment required for first phase
- Business case

The business case will detail the investment request to fund the start up period and first phase of the heat network, which is likely to be from a combination of Public Works Loan Board (PWLB) borrowings by each of the boroughs, loans from the European Investment Bank (EIB) or similar, developer contributions, and grant funding where available.

This is anticipated to be presented to Cabinet in early 2013 to request approval of the business case and subsequent Council investment in the SPV.

## **Appendix 4: Development of a large scale eco retrofitting scheme**

### **The Green Deal & ECO obligation on energy suppliers**

- The Green Deal is the Governments flagship scheme launching in early January, providing a mechanism for householders or businesses to carry out energy efficiency refurbishment without any upfront costs, through a charge on the property that is repaid over a period of 25 years with energy savings made on the households fuel bills. The Green Deal package must meet the 'Golden Rule' meaning repayments must be lower than or equal to the savings made on energy bills from day one.
- The Carbon Saving Energy Company Obligation (ECO) (replacing previous obligations CERT and CESP) will provide an annual £950 million subsidy for more expensive measures that cannot meet the Golden Rule, in particular solid wall insulation, and is available to privately owned and social housing. The Affordable warmth ECO will provide an annual £350 million subsidy to reduce energy bills for



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fuel poor households and can only be accessed by private households. ECO will not be discharged on a regional basis therefore it is likely that London will be at a disadvantage in accessing this fund compared to other regions given the higher costs of delivery and more complexity of housing stock.

- The Green Deal Finance Company, an industry led consortium is in the process of being set up, with support from Government and will provide Green Deal finance to those upgrading their properties (estimated at 7% APR).
- A number of issues with the Green Deal have been identified. It will create a new market and there is much debate over how attractive consumers will find the offer.
  - The proposed interest rate of 7% is very high compared to other forms of finance e.g. mortgage top up.
  - The Green Deal will be secured as a charge on the electricity meter of each property to be passed on to subsequent bill payers.
  - Green Deal is not considered an appropriate solution for fuel poor residents. While Affordable Warmth ECO will provide some subsidy to reduce energy bills, fuel poor households are likely to be under heated and will not make the fuel bill savings expected to fund loan repayments.
  - The Green Deal will be market led and commercial providers may cherry pick their areas of operation, possibly targeting areas that are technically less challenging than London to install retrofit.

### Haringey 40:20 and the Carbon Commission

- Domestic energy use accounts for over 50% of the boroughs carbon emissions. Haringey's housing stock is characterised as "hard to treat", with over 30% of homes located in conservation areas, 55% flats and 65% solid wall properties (eligible for the ECO obligation). Feasibility studies carried out by Haringey with support from DECC and the GLA highlight the high potential to create jobs from the eco retrofitting activity (between 500 to 1000 jobs by 2020) and to mitigate rising fuel costs – current DECC estimates are that gas prices will rise by 62% by 2020, and electricity prices will rise by 70% by 2020.
- The Carbon Commission, an independent expert group recommend that a co-operative network is established to develop the housing retrofit market in Haringey, utilising low cost Council finance to kick start the programme. Key benefits of a co-operative model would include;
  - the ability to raise finance from local shareholders;
  - building upon the existing local supply chain for eco retrofitting;
  - engaging local residents in peer to peer promotion of the service thereby strengthening local communities ties and creating employment and training opportunities.

Overall the cooperative model provides a structure to share responsibility for driving the development of this market building on the local enthusiasm among Haringey 40:20 members and retain value created in the local economy.



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- The Sustainable Design and Construction Supplementary Planning Document is currently under review and the work is underway to revise this in-line with emerging retrofit ambitions for the borough.

### **1. Work carried out to date**

A range of schemes have been carried out to date, to identify how the market for eco-retrofitting can be developed in Haringey and more widely north London and potential CO2 reduction benefit and economic benefit.

- **(2009-2012)** The Mayor of London funded Muswell Hill Low Carbon Zone has a 20% CO2 reduction target and has tested an approach to engaging local people in achieving a high uptake of energy saving measures. More recently the £500k Green Deal demonstration has tested uptake of large scale retrofitting by offering a low cost loan and home energy action plan to residents with one to one support from Council staff.
- **(2010-11)** Haringey was one of nine local authorities engaged in the Department of Energy and Climate Change Local Carbon Framework Pilot. Haringey engaged 5 other north London boroughs to take part in a study to assess the investment potential for eco retrofitting activity and identify cross borough deliver models. The Housing Retrofit officer continues to be partially funded by Hackney and Waltham Forest with a remit to operate across these boroughs to continue to develop this work.
- **(2012)** Haringey was one of five boroughs selected to take part in the Sainsbury's Trust funded LEEP: Toolkit for Local Authorities to activate widespread uptake of retrofit schemes. This examined approaches and lessons learned from comparative services such as recycling uptake and local levers to drive activity such as planning powers and building control services.
- **(2012)** Haringey is working with the Energy Saving Trust to promote uptake of ERDF grant funded support for SME's in London to join the retrofit and Green Deal supply chain.
- **(2012)** Haringey and Islington and to varying degrees the wider north London group of boroughs (Hackney, Waltham Forest, Camden, Newham) are continuing to develop two strands of work. 1) A scheme to leverage ECO funding for social housing 2) A cooperative delivery model for borough wide activation of the eco-retrofitting market.
- Ongoing engagement with internal stakeholders including: HfH, Planning, Building Control & Economic Regeneration and external stakeholders including: CONEL, Haringey 4020 Steering Group and eco retrofitting providers, other local authorities and organisations developing their role in the Green Deal including cooperative and social enterprise models, including the Green Deal Conduit, a cooperative for SMEs on a national scale (described below).

### **2. GLA Green Deal provider model business case (2012) – draft outcomes**



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- Earlier this year Haringey & Islington took part in the GLA Implementation of the Green Deal feasibility work exploring in detail the Provider model.
- The Provider model program considered retrofit across four boroughs, treating 12,500 homes over 3 years with an overall value of £80 million of works. The program would also require £15 million of recoverable operation costs. The program would be financed by £65 million Council finance plus £30 million ECO and would require set up costs in the order of £2 million. This funding would be repaid over the life of the project. The benefits would include 550 direct FTE and £38 million direct GVA over 3 years. These inputs and outputs would be split between the four partner boroughs.
- The project has generated valuable data but is not considered viable in its current form due to the risks around the expected consumer up take of the Green Deal.. Haringey & Islington remain in close communication with the GLA and different roles of the GLA and local authorities can be coordinated with the GLA pursuing the “Producer” (marketing) role for the Green Deal.
- Need to put reasons why here – bring up from further down
- As an alternative to this approach it was agreed with Islington to explore two alternatives options set out below 1) Short term ECO leveraging scheme 2) medium term vehicle to deliver large scale retrofit.

### Immediate priorities for activity

#### 1. Social Housing ECO Leveraging scheme

- Model of pooling council controlled housing and RSL’s into a package of works to be funded by the ECO by approaching Energy Company(s) to achieve economy of scale and offer “ready to go” schemes with Planning consent and help to ensure that the borough leverage as much funding as possible given the limited amount available nationally and previous difficulties with attaining CERT funding.
- It is likely that ECO will not provide 100% of funding needed to deliver the works. Haringey Council is therefore requesting that HfH look to utilise a combination of remaining Decent Homes funding and HRA funding to match fund schemes. A small charge on rents for social housing could leverage significant ECO funding and mitigate rising fuel costs. It is likely to be preferable to residents rather than taking up private Green Deal package which are likely to be too expensive for residents (given 7% interest rate) and no guarantee of the Golden Rule being achieved, and would lead to a patchwork of providers seeking to deliver works to social housing stock.
- The GLA are carrying out similar feasibility work for London as a whole and regular contact is being maintained to ensure a coordinated approach and prevent duplication of work.



## 2. Outline proposal for a Council backed community led ECO retrofitting cooperative network

The proposed scheme would build upon existing capacity and assets in Haringey:

- The Council has a strong reputation as leaders in this field,
- Access to low cost prudential borrowing,
- Strong cross borough relationships and experience in delivering retrofit.
- There is an established collaboration through 40:20 with an enthusiastic local voluntary sector keen to work with the Council to activate this market.
- There is an existing supply chain including a number of SME's working in the domestic refurbishment market that will need support to access the growing retrofit/Green Deal market.
- The overall market value of green home retrofit north London is estimated at over £4,500 million.
- There are a variety of retrofit markets apart from Green Deal that could be accessed e.g. the 'able to pay' sector in the borough that would be interested in retrofitting their home, but would not want to access high interest Green Deal finance.
- There are established education centres in the Borough that could offer retrofit training.
- The Council has strong relationships with a number of research institutions working together to drive innovation e.g. Imperial College.

I think this bit needs to go early – otherwise a bit repetitive

While the Provider model approach supported by the GLA provided valuable insight into how a Green Deal scheme could be set up, it is not considered a viable approach for Haringey for the following reasons:

- The Provider model is characterised by high set up and operational costs and is contingent on uptake of the Green Deal offer in the borough.
- The model is not viable in a single borough, requiring a minimum of four boroughs to commit to the scheme from the outset.
- The model has not proved that a revenue stream is possible.
- It is a standing start approach and once the program of work is complete it is unlikely to sustain employment.
- The approach involves a potentially costly procurement to appoint a large delivery organisation to deliver the entire scheme that may not engage local SME's to carry out the work and thus undermine the existing supply chain.
- Local SME's are likely to be well placed to carry out this work considering their experience of the local housing stock and providing a tailored service well suited to retrofitting in Conservation Areas.
- It is unlikely that the local community sector would support a scheme run by a large energy provider through door knocking and marketing activity.





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## Appendix 5: Collective switching scheme

### Collective Switching

#### Introduction

Fuel costs are projected to rise by 40% over the next 10 years. The current definition of fuel poverty is when a household spends more than 10% of its income on fuel to maintain an adequate degree of warmth. According to data released by DECC in May 2012 11.7% of households in Haringey are fuel poor, whereas the London average is 10.7%.

A number of mechanisms exist that individuals can use to review their current energy tariffs and 'switch' energy suppliers to benefit from a cheaper tariff. However many consumers are still put off doing this. Customers may lack confidence or knowledge of how to switch, or they may not be aware that better tariffs are available.

#### Collective Switching - how it works

Collective energy switching in the domestic sector is relatively new to the UK. It brings a group of consumers together, aggregating demand and purchasing power. A collective switching programme is available to and benefits everyone in the community.

Collective switching can be run by a third party organisation or community group. Residents register to participate in the scheme via a website, phone, or mail, providing basic information about their current energy tariffs and usage. At the end of the registration period, the third party organisation aggregates the demand and negotiates with energy suppliers to obtain the best price for those that signed up. At the end of the negotiating period, with the final tariff and supplier agreed, each participant has a period to consider the new tariff and decide whether they wish to 'switch' to the new supplier or stay with their current supplier. There is no obligation for participants to switch.

#### Collective Switching – Haringey context

A collective energy switch scheme has been recommended by the Carbon Commission, and there is no collective switching scheme in the borough at present.

A switching scheme could help prevent a rise in fuel poverty. The scheme would also help mitigate health problems arising from fuel poverty. A switching scheme in Haringey would seek to offer a renewable energy tariff option aimed at residents who are keen to support the green energy sector, and send a clear signal to energy suppliers. Overall the scheme will raise awareness of the energy market and give people the confidence to engage in getting best value from their energy supply.

Initial discussions have been carried out with a company based in the Netherlands who have delivered schemes in Europe, and could partner with the Council to manage the process. Further feasibility work is required working with the Fuel Poverty Officer, procurement team to assess options and risks involved.





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A collective switching scheme in Haringey working with a third party partner would be promoted through existing communications channels and services, and would not be very costly to deliver.